

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

<b>(1) DEPARTMENT</b> Administrative Office	<b>(2) MEETING DATE</b> 9/15/2015	<b>(3) CONTACT/PHONE</b> Nikki J. Schmidt 805/781-5496	
<b>(4) SUBJECT</b> Request to approve a FY 2015-16 through FY 2019-20 agreement with San Luis Obispo County Visitors and Conference Bureau, Incorporated, dba Visit San Luis Obispo County (Visit SLO County) to act as the Owners' Association for the San Luis Obispo County Tourism Marketing District (TMD). All Districts.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board approve the five (5) year agreement with San Luis Obispo County Visitors and Conference Bureau, Incorporated, dba Visit San Luis Obispo County to act as the Owners' Association for the San Luis Obispo County Tourism Marketing District (TMD).			
<b>(6) FUNDING SOURCE(S)</b> Tourism Marketing District assessments	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$0.00	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$0.00	<b>(9) BUDGETED?</b> No
<b>(10) AGENDA PLACEMENT</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
<b>(11) EXECUTED DOCUMENTS</b> <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input type="checkbox"/> N/A	
<b>(14) LOCATION MAP</b>	<b>(15) BUSINESS IMPACT STATEMENT?</b> No	<b>(16) AGENDA ITEM HISTORY</b> <input type="checkbox"/> N/A    Date: _____	
<b>(17) ADMINISTRATIVE OFFICE REVIEW</b>  			
<b>(18) SUPERVISOR DISTRICT(S)</b> All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Nikki J. Schmidt, Administrative Office

DATE: 9/15/2015

SUBJECT: Request to approve a FY 2015-16 through FY 2019-20 agreement with San Luis Obispo County Visitors and Conference Bureau, Incorporated, dba Visit San Luis Obispo County (Visit SLO County) to act as the Owners' Association for the San Luis Obispo County Tourism Marketing District (TMD). All Districts.

## **RECOMMENDATION**

It is recommended that the Board approve the five (5) year agreement with San Luis Obispo County Visitors and Conference Bureau, Incorporated, dba Visit San Luis Obispo County to act as the Owners' Association for the San Luis Obispo County Tourism Marketing District (TMD).

## **DISCUSSION**

The Board approved the formation of the TMD on June 10, 2015 which included approval of the Management District Plan (Plan). The collection of the 1% assessment began on July 1, 2015. In August, the Board approved the appointment of the County's lodging representative and representative at-large to the TMD's Board of Directors. The final step of the formation is for the Board to contract with an Owners' Association to administer the Plan. Section 36612 of the Property and Business Improvement District Law of the Streets and Highway Code Division 18 defines the Owners' Association as:

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

Section 36622(h) sets out that the specific number of years the assessment can be levied in a new district is five (5); after which a district can be renewed for another five (5) years. However a district shall not have a term that exceeds ten (10) years. The Plan designates Visit SLO County as the Owners' Association for the initial five (5) years. Visit SLO County is in the process of working with their marketing agency to develop a marketing plan for the TMD. Visit SLO County will provide the County with a detailed scope of work with measurable results, outcomes and outputs, as well as a detailed operating budget that provides line item details pertaining to revenues and expenditures, by December 31, 2015.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

Staff from the Administrative Office, County Counsel and Visit SLO County participated in the development of the agreement.

## **FINANCIAL CONSIDERATIONS**

The collection of the 1% assessment which is levied on the paid rent charged per occupied room per night, with consecutive stays of 30 days or more excluded began on July 1, 2015. Revenue raised by this assessment is projected to be \$3 million per year for the initial five (5) year term that it will be collected.

## **RESULTS**

The County will not be establishing any performance criteria beyond the legal contractual obligation to expend the funds for identified purposes. The onus would be on the contracted Owners' Association to meet the expectations included in the Management District Plan and District Marketing Plan when it is developed as well as the lodging business owners collecting the assessment. It is expected the Owners' Association Board of Directors will develop measures that will track the success of the management district plan and any subsequent marketing plan programs.

## **ATTACHMENTS**

1. Owners' Association Agreement
2. Final Management District Plan approved 6-10-15